



Volume 1, Number 11

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## AS AT FEBRUARY 28, 2007

## February 2007 highlights

- ❑ In February 2007, the consolidated budgetary balance for the purposes of the *Balanced Budget Act* shows a surplus of \$478 million following an additional payment of \$500 million to the Generations Fund. For the same period last year, revenue exceeded expenditure by \$832 million.
- ❑ Budgetary revenue amounts to \$5.0 billion, an increase of \$340 million (7.3%) compared to last year.
- ❑ Program spending is up by \$214 million (6.5%) compared to last year and stands at \$3.5 billion.
- ❑ Debt service amounts to \$550 million, comparable to last year's amount.
- ❑ The net results of the Generations Fund amount to \$524 million including the additional payment of \$500 million made last February 15.

## SUMMARY OF CONSOLIDATED BUDGETARY TRANSACTIONS

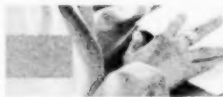
(millions of dollars)

	February		April to February		(Unaudited data) February 2007 Budget	
	2006 <sup>1</sup>	2007	2005-2006 <sup>1</sup>	2006-2007	2006-2007	Growth %
<b>BUDGETARY REVENUE</b>						
Own-source revenue	3 870	4 099	40 862	43 925	48 533	6.1
Federal transfers	816	927	8 926	10 056	10 956	9.9
<b>Total</b>	<b>4 686</b>	<b>5 026</b>	<b>49 788</b>	<b>53 983</b>	<b>59 489</b>	<b>6.8</b>
<b>BUDGETARY EXPENDITURE</b>						
Program spending	- 3 298	- 3 512	- 44 149	- 46 327	- 51 519	4.6
Debt service	- 555	- 550	- 6 278	- 6 293	- 6 990	1.7
<b>Total</b>	<b>- 3 853</b>	<b>- 4 062</b>	<b>- 50 427</b>	<b>- 52 620</b>	<b>- 58 509</b>	<b>4.3</b>
<b>NET RESULTS OF CONSOLIDATED ORGANIZATIONS</b>	<b>- 1</b>	<b>14</b>	<b>412</b>	<b>208</b>	<b>37</b>	—
Deposit in the Generations Fund	—	- 500	—	- 500	- 500	—
Allocation to the budgetary reserve	—	—	—	—	- 500 <sup>2</sup>	—
<b>CONSOLIDATED BUDGETARY BALANCE FOR THE PURPOSES OF THE <i>BALANCED BUDGET ACT</i></b>	<b>832</b>	<b>478</b>	<b>- 227</b>	<b>1 071</b>	<b>17</b>	—
Net results of the Generations Fund <sup>3</sup>	—	524	—	547	575	—
<b>CONSOLIDATED BUDGETARY BALANCE</b>	<b>832</b>	<b>1 002</b>	<b>- 227</b>	<b>1 618</b>	<b>592</b>	—

<sup>1</sup> Monthly allocation of financial transactions based on best available data and estimates.

<sup>2</sup> The allocation to the budgetary reserve will be made in the March 2007 monthly report.

<sup>3</sup> The Generations Fund began operations on January 1, 2007.



## MONTHLY REPORT ON FINANCIAL TRANSACTIONS

### Cumulative results as at February 28, 2007

#### Budgetary balance

- For the period from April 2006 to February 2007, the consolidated budgetary balance for the purposes of the *Balanced Budget Act* shows revenue exceeding expenditure by \$1.1 billion.
  - This improvement of \$1.3 billion compared to the results for the same period last year stems in particular from the additional profits earned by Hydro-Québec.

#### Budgetary revenue

- Since the beginning of the year, budgetary revenue amounts to \$54.0 billion, an increase of \$4.2 billion (8.4%) compared to last year.
- Own-source revenue stands at \$43.9 billion, an increase of \$3.1 billion (7.5%). Apart from Hydro-Québec's financial results, this improvement stems from increased revenue from personal income tax.
- Federal transfers amount to \$10.1 billion for the first eleven months of the current fiscal year, an increase of \$1.1 billion over the same period in 2005-2006.

#### Budgetary expenditure

- As at February 28, 2007, budgetary expenditure totals \$52.6 billion.
- Program spending is up by \$2.2 billion (4.9%) compared to the same period last year. The most significant changes are in the health (\$1.1 billion) and education (\$622 million) sectors.
- Debt service amounts to \$6.3 billion, comparable to last year's amount.

#### Generations Fund

- As at February 28, 2007, the net results of the Generations Fund amount to \$547 million.

#### Net financial surplus

- For the period from April 2006 to February 2007, the net financial surplus stands at \$167 million.
  - This increase of \$2.4 billion compared to the same period in 2005-2006 stems chiefly from the dividend Hydro-Québec paid to the government in February 2007.

## MONTHLY REPORT ON FINANCIAL TRANSACTIONS

### CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS

(millions of dollars)

(Unaudited data)

	February			April to February		
	2006 <sup>1</sup>	2007	Changes	2005-2006 <sup>1</sup>	2006-2007	Changes
<b>BUDGETARY REVENUE</b>						
Own-source revenue	3 870	4 099	229	40 862	43 925	3 063
Federal transfers	816	927	111	8 926	10 058	1 132
<b>Total</b>	<b>4 686</b>	<b>5 026</b>	<b>340</b>	<b>49 788</b>	<b>53 983</b>	<b>4 195</b>
<b>BUDGETARY EXPENDITURE</b>						
Program spending	- 3 298	- 3 512	- 214	- 44 149	- 46 327	- 2 178
Debt service	- 555	- 550	5	- 6 278	- 6 293	- 15
<b>Total</b>	<b>- 3 853</b>	<b>- 4 062</b>	<b>- 209</b>	<b>- 50 427</b>	<b>- 52 620</b>	<b>- 2 193</b>
<b>NET RESULTS OF CONSOLIDATED ORGANIZATIONS</b>	<b>- 1</b>	<b>14</b>	<b>15</b>	<b>412</b>	<b>208</b>	<b>- 204</b>
Deposit in the Generations Fund	—	- 500	- 500	—	- 500	- 500
<b>CONSOLIDATED BUDGETARY BALANCE FOR THE PURPOSES OF THE <i>BALANCED BUDGET ACT</i></b>	<b>832</b>	<b>478</b>	<b>- 354</b>	<b>- 227</b>	<b>1 071</b>	<b>1 298</b>
Net results of the Generations Fund	—	524	524	—	547	547
<b>CONSOLIDATED BUDGETARY BALANCE</b>	<b>832</b>	<b>1 002</b>	<b>170</b>	<b>- 227</b>	<b>1 618</b>	<b>1 845</b>
Consolidated non-budgetary surplus (requirements)	- 288	1 986	2 274	- 2 047	- 1 451	596
<b>CONSOLIDATED NET FINANCIAL SURPLUS (REQUIREMENTS)</b>	<b>544</b>	<b>2 988</b>	<b>2 444</b>	<b>- 2 274</b>	<b>167</b>	<b>2 441</b>

<sup>1</sup> Monthly allocation of financial transactions based on best available data and estimates.

## MONTHLY REPORT ON FINANCIAL TRANSACTIONS

### CONSOLIDATED REVENUE FUND REVENUE

(millions of dollars)

(Unaudited data)

Revenue by source	February			April to February		
	2006	2007	Changes %	2005-2006	2006-2007	Changes %
<b>BUDGETARY REVENUE</b>						
<b>Own-source revenue excluding government enterprises</b>						
Income and property taxes						
Personal income tax	1 435	1 529	6.6	14 893	16 332	9.7
Contributions to Health Services Fund	376	400	6.4	4 620	4 628	0.2
Corporate taxes	601	531	- 11.6	3 919	3 800	- 3.0
Consumption taxes	678	721	6.3	11 152	11 419	2.4
Other sources	294	251	- 14.6	2 234	2 195	- 1.7
<b>Total</b>	<b>3 384</b>	<b>3 432</b>	<b>1.4</b>	<b>36 818</b>	<b>38 374</b>	<b>4.2</b>
<b>Revenue from government enterprises</b>	<b>486</b>	<b>667</b>	<b>37.2</b>	<b>4 044</b>	<b>5 551</b>	<b>37.3</b>
<b>Total own-source revenue</b>	<b>3 870</b>	<b>4 099</b>	<b>5.9</b>	<b>40 862</b>	<b>43 925</b>	<b>7.5</b>
<b>Federal transfers</b>						
Equalization	400	467	16.8	4 398	5 073	15.3
Health transfers	254	311	22.4	2 824	3 322	17.6
Transfers for post-secondary education and other social programs	79	93	17.7	889	966	8.7
Other programs	83	56	- 32.5	815	697	- 14.5
<b>Total federal transfers</b>	<b>816</b>	<b>927</b>	<b>13.6</b>	<b>8 926</b>	<b>10 058</b>	<b>12.7</b>
<b>TOTAL BUDGETARY REVENUE</b>	<b>4 686</b>	<b>5 026</b>	<b>7.3</b>	<b>49 788</b>	<b>53 983</b>	<b>8.4</b>

### CONSOLIDATED REVENUE FUND EXPENDITURE

(millions of dollars)

(Unaudited data)

Expenditures by mission	February			April to February		
	2006	2007	Changes %	2005-2006	2006-2007	Changes %
<b>BUDGETARY EXPENDITURE</b>						
<b>Program spending</b>						
Health and Social Services	1 534	1 606	4.7	18 947	20 096	6.1
Education and Culture	719	790	9.9	11 742	12 364	5.3
Economy and Environment	372	409	9.9	5 074	5 240	3.3
Support for Individuals and Families	397	430	8.3	4 622	4 732	2.4
Administration and Justice	276	277	0.4	3 764	3 895	3.5
<b>Total program spending</b>	<b>3 298</b>	<b>3 512</b>	<b>6.5</b>	<b>44 149</b>	<b>46 327</b>	<b>4.9</b>
<b>Debt service</b>	<b>555</b>	<b>550</b>	<b>- 0.9</b>	<b>6 278</b>	<b>6 293</b>	<b>0.2</b>
<b>TOTAL BUDGETARY EXPENDITURE</b>	<b>3 853</b>	<b>4 062</b>	<b>5.4</b>	<b>50 427</b>	<b>52 620</b>	<b>4.3</b>

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